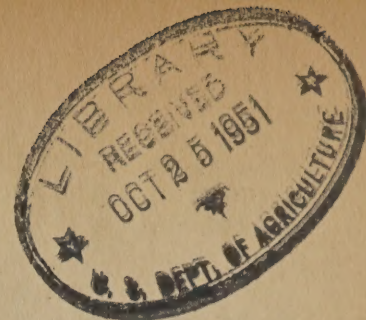


UNITED STATES DEPARTMENT OF AGRICULTURE  
Extension Service  
Washington 25, D. C.



MARKETING CHALLENGES THE EXTENSION SERVICE\*

Extension recognizes its responsibility for a complete and balanced educational program in marketing and distribution. In order to bring about the greatest efficiency in the production, distribution, and utilization of farm products, the present educational program in marketing will have to be greatly expanded.

Extension's objective in this field is to raise the level of efficiency with which farm products are distributed from farm to consumer. This objective is threefold:

1. To aid farmers in understanding the demands of the market costs involved, and in helping them adapt their production and marketing procedures to these demands.
2. To aid processors and distributors in becoming better informed concerning market conditions, and more efficient in performing their services to the end that farm products may move more smoothly through the distribution channels with less waste, less decline in quality, and at lower costs, thus benefiting producers, handlers, and consumers.
3. To aid consumers in becoming more discriminating and more skillful in buying and using farm products and in gaining a better understanding of the marketing system.

Educational work with the farmer on his farm and with farmers' organizations cannot go the whole way in solving agriculture's marketing problems. Effective distribution and merchandising of farm products requires skill and efficiency throughout the channels of distribution. Proper utilization of these goods requires discriminating and informed consumers. If large-scale improvement in agricultural marketing and distribution is to be brought about Extension's educational work must be greatly expanded and intensified not only with producers but also with those who handle the farmer's produce or use it -- such as processors, wholesalers, retailers, and consumers. Much of the emphasis needs to be placed upon educational programs with these non-farm groups.

The magnitude of the task to be done is suggested by the large numbers of people in the three groups to be reached -- about 6 million producers, around 2 million handlers and operators who perform various services in the channels of trade getting farm products from producers to consumers, and more than 150 million

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\*A statement prepared by a committee of State Directors of Extension and Deans of Agriculture, Chicago, Illinois, October 9-10, 1950. The committee comprised representatives from Indiana, Maryland, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New Mexico, New York, Oklahoma, Tennessee, Utah, and West Virginia.



men, women, and children who are the ultimate users of these products in this country. These consumers represent 41 million families who are in the market almost daily.

In periods of national emergency such as we now are experiencing, a broad, vigorous program of marketing education is needed even more than in normal times. Inefficiencies and wastes become less tolerable. Good consumer buymanship, effective utilization of resources, and good human nutrition take on greater significance. Military mobilization and labor shifts arising from alternative job opportunities increase the employee turnover rate in processing and distributive agencies. Merchants, for example, are faced with unusual problems of training personnel replacements, compliance with new and unfamiliar regulations, and disruption of normal sources of supply.

#### EXTENSION'S FITNESS TO DO THIS JOB

There are several reasons why the Extension Service is qualified to handle this greatly expanded work in marketing both with producers and with non-farm groups.

1. It is a going organization whose business is education. It is the educational arm of the U.S. Department of Agriculture. It is the agency of the land-grant colleges that deals with non-resident work in agriculture and home economics. It carries the prestige of experience, achievement, and association with the land-grant college system.
2. It is a widespread organization. It has personnel in all States, and county and home agents in nearly all agricultural counties and in many which have urban population. It enjoys the help and participation of many thousands of lay leaders. It has a close association with farm marketing and distributing agencies.
3. Its organization is permanent; its programs are continuous.
4. It has long been engaged in educational and demonstrational work in marketing. Though its specialists and county agents have placed major emphasis on work with producers, yet many of them have worked also with buyers, handlers and users of farm products, and enjoy the full confidence of these groups.
5. The present staff that work mainly with producers - economists, home economists, production specialists, engineers, and other specialists - are assisting and supplying some of the information used by the marketing specialists who work with non-farm groups. Additional leaders with the background required to work with wholesalers, retailers, other handlers, and consumers, are being employed and trained as the program grows.
6. It has excellent facilities for distributing information and making use of the findings of research. It depends upon a continuing and growing program of research in marketing, and it aids research agencies in selecting problems that require investigation.



7. Its 4-H programs are firmly established, and these lend themselves readily to the training of youth in marketing, distribution, and buymanship.
8. Its widespread work with producers has been supplemented in varying degrees in the states by work with handlers, processors, and consumers, and has demonstrated that Extension can effectively carry on programs of this kind.

RESPONSIBILITIES OF STATE EXTENSION SERVICES  
AND THE FEDERAL EXTENSION SERVICE

For all Extension programs and activities which can be conducted effectively on a State, county or community basis, state extension services should be fully responsible.

Problems broader in scope requiring action on a regional basis should be handled cooperatively by the States concerned and the Federal Extension Service. In some instances, regional programs may be handled effectively through joint planning with provision for independent program operation within the individual States. In other instances, the problems may require both joint planning and regional program operation with provision for execution under direct Federal Extension supervision.

In either case there should be full cooperation and understanding between the state extension services and the Federal Extension Service in determining regional problems and the type of program and systems of program administration needed to deal with them effectively.

Development of extension marketing work under this proposed expanded program will call for extraordinary leadership and supervision. Someone broadly qualified and fully sympathetic with all phases of the marketing program will be needed in each State to develop, supervise, and coordinate all the marketing work under the general direction of the State Director of Extension.

Education in marketing cannot be developed and carried out on the broad scale needed without leadership of the highest order. The Federal Extension Service should provide leadership and assistance, not only on national and regional programs but on State programs as well.

The Federal Extension Service functions in three areas of responsibility (administrative, service and operational). The broader program here proposed will enlarge these responsibilities.

1. Administrative

- a. Over-all fiscal and legal matters connected with the program.
- b. Cooperation and liaison with other agencies. Examples: Agricultural Research Administration, Production and Marketing Administration, Bureau of Agricultural Economics, Farm Credit Administration.
- c. Cooperation directly with State Extension Services on State programs.
- d. Correlating and expediting extension work on problems that cross State lines.



## 2. Service

- a. Keeping up with research work, including assembling, analyzing, and organizing research material, in terms of needs of various groups such as consumers, retailers, processors, wholesalers, producers, and transportation organizations, and getting such material to State workers.
- b. Preparation and distribution of materials that have nation-wide application, such as leaflets and visual aids.
- c. Assisting States in program development, by --
  - (1) Knowing what is being done in all States and assisting the individual States in applying that experience to their problems.
  - (2) Bringing to States the background information that is necessary in the development and conduct of State programs.
  - (3) Assisting States in organizing and planning State programs that contribute to the solution of problems of a regional nature, including liaison with regional and national trade groups.

## 3. Operational

- a. Conducting the work on national projects. Many marketing problems are national in scope and involve relatively few concerns. (One example of this is the meat-packing business, with relatively few plants in the United States.) A specialist working in a field of this type should operate on a national basis and be a part of the Federal Extension office. The national specialist should cooperate with specialists working on State problems of similar nature.
- b. Helping to organize and carry on regional projects. Regional projects, to be successful, require close operational contact with both the federal office and the cooperating States.

The development of a consumer information program can be used as an illustration of the type of leadership and service that should be provided by the federal office. To discharge this responsibility, it is desirable that provision be made in the Federal Extension Service for --

1. Over-all leadership of the consumer information program.
2. Specialists who can assist in the fullest use of television, press, radio, and the like.
3. Additional staff members who can assemble and make available the type and form of information needed by the States to conduct the program.

In order to carry out this leadership responsibility effectively, cooperation and active support by all States is needed.



## REGIONAL PROJECTS

### Principles Involved in Regional Projects

Marketing and distribution of agricultural products involves many steps and many people from producers to consumers. The process often extends over broad geographic areas. Frequently the problems are out of reach of marketing specialists working within the boundaries of an individual State. Some of these problems involve only a few States. Others involve a larger number of States. Regional and national programs are needed to deal effectively with these broad problems. The nature of the problem and the products will determine the kind and scope of program needed and the degree of State and federal participation.

There are many situations where regional action is desirable. For example, some of the problems of marketing Indiana hogs may arise from conditions in terminal markets such as New York and Boston. The solution may require action in either or both terminal markets and producers local markets. In either case regional consideration is involved and the problems cannot be solved by Indiana alone working within its own boundaries. What is needed is a program that will bridge the gap and provide effective action at all points throughout the marketing channel.

### Administration and Operation of Regional Projects

The development, organization and operation of regional marketing educational programs should be the cooperative responsibility of the Federal Extension Service and the appropriate state extension services. Administrative responsibility should be definitely fixed for each project. The type of organization will vary according to the problems involved and the objectives to be accomplished. In some cases it may be best to have an administrative project committee composed of the directors of extension in the participating States and a member of the Federal Extension Service. In other States the directors of extension may wish to agree on the program and appoint one director to assume responsibility for conducting the project. With the latter type of organization the designated director and a member of the Federal Extension Service would assume responsibility for supervising the program and the project personnel. Irrespective of the type of administrative organization that may be adopted, it appears desirable to have an advisory committee to aid in carrying out the regional program. Such an advisory committee would consist of representatives of State extension services, other appropriate government agencies, producer and trade or industry organizations. The advisory committee would function to aid the project supervisors and leaders in planning and carrying out the operating program.

### Financing Regional Projects

Adequate financing of regional projects is essential in order that the work may be conducted on a scale commensurate with the problem. Considering the nature of regional marketing problems, it appears that federal financing of regional projects may be necessary for the most part because of limitations on use of State funds. Proportionate financing is appropriate if this can be worked out. Contributions by other agencies or interested trade groups are very desirable, in order that more educational work may be done. Schools and trade



organizations may be interested in participating in their educational work, and often can share in the operating costs.

### Cooperation With Other Workers and Other Groups

Each regional worker must develop his work in cooperation with State extension workers and keep them informed on progress and problems. Reports to meetings of extension directors are desirable. His work will involve cooperation with trade groups and with representatives of research, service and regulatory agencies. Extension wants to do a creditable job of education, but should not itself engage in service, regulatory, or research work.

### RECOMMENDATIONS

The recommendations of the committee deal only with the marketing of agricultural products, not with the over-all development of the work of the Extension Service, including work in urban areas. The committee has considered the organization, programs, funds, and training of personnel needed to do the marketing job on this larger scale, and makes the following recommendations concerning them:

#### Consumer Education

We define consumer education as dealing with the buying and utilization of agricultural products by ultimate consumers.

Since our market outlets depend to a great degree upon consumer information concerning goods and services available, and since large numbers of consumers are concentrated in urban and suburban areas, the information needs to be furnished to these people. The work was started in the food field because food is of major concern to all people and because many marketing problems result from the perishable nature of food. Millions of food shoppers in this country spend a quarter of the family income for food. They need to make countless choices and decisions in order to feed their families well.

Information is assembled, interpreted, and disseminated on food supplies, prices, qualities, sources, marketing seasons, varieties, selection and uses. Releases adapted especially to consumers go to many people who work with consumers. They report research results, list good food buys, and call attention to plentiful foods. The program includes also market tours, food marketing talks, demonstrations, radio and television programs, and press and magazine stories on food marketing. Extension cooperates with many other agencies, public and private, in these programs. The program also helps consumers understand marketing. In doing so it benefits not only the people who purchase food, it also helps the farmers who produce the Nation's crops, and the handlers who distribute the country's food supply.

While a commendable beginning has been made in reaching urban consumers with educational assistance on how to buy and utilize agricultural products to their best advantage, the present program will have to be multiplied many times if any large proportion of these people is to be reached.

1. We recommend the employment of a minimum of one consumer education specialist on each State staff. This person should work closely with home economists, agricultural economists, other specialists in related



fields, and the agents, because team-work in this field is especially important. Organization beyond this will be determined by the number and size of cities and other considerations varying within States and between States.

2. Persons employed for these positions should have training in several of the following fields: economics, with special reference to agriculture; home economics; and food economics. They should be well qualified in the handling of public relations and in the use of mass educational media and methods.
3. In very large urban areas which are distributing centers for several States, special organization will be required and the program probably cannot be financed on a regular matching fund basis. In such cities, it is proposed that consideration be given to contractual financing such as is now being done in New York City, Kansas City, and elsewhere.
4. A budget of \$1,000,000 (from federal, State, and local sources) should be provided for this phase by fiscal year 1953, with increments of \$500,000 annually for each of the succeeding four years. This envisions a total budget of \$3,000,000 for the consumer education phase by fiscal year 1957. Such additional financial support as seems necessary and desirable after 1957 can be better judged at a later time.

#### Distributor Education

Distributor education is defined as dealing with the product from the time it reaches the wholesaler until it goes through the retailer into the hands of the consumer.

It deals with better grading and packing, improved handling and merchandising practices, better marketing organization and facilities, maintenance of quality, reduced wastes and costs of marketing, improved trade relations, better use of market news and inspection, profitable use of low-grade and surplus products, and training of wholesale and retail personnel.

Since the welfare of agriculture depends not only upon productivity but also upon sales, a prosperous agriculture is not possible without ready movement of products to profitable markets. Success in the marketing of farm products depends upon the adoption of sound business principles and practices as much by distributors and handlers as by farmers. Those who handle the farmers' products have much to do with the cost of doing the marketing job and with their acceptance by consumers.

Several State extension services are working more intensively with retailers to improve the merchandising and handling of selected foods. Some are also conducting broad training and information programs for retail personnel. Emphasis at the outset is on fresh fruits and vegetables, with some expansion taking place to include poultry products and meats. Two States are using highway trailers to take the classwork and demonstrations to food retailers. Information and merchandising aids are sent to retailers periodically. Retailers who have participated have been aided in the adoption of approved principles and new business practices. They are employing more care and merchandising skill, and as a result of this educational work they report reducing wastes and losses, moving more produce, and bringing more satisfactory food products to consumers.



1. We recommend a minimum of one person on each State staff who is a specialist in this field. Such an individual would necessarily work largely with trade groups, but to the extent feasible, would coordinate his work with that of local extension agents.
2. Such a specialist should have training preferably in business administration, with practical experience in the wholesale and retail fields. He should not necessarily be required to have an agricultural background. He should be qualified to deal with management and operational problems of retailing, not commodity handling and merchandising alone.
3. In the larger metropolitan areas, personnel will need to be employed and organized to fit the local situation. It may be necessary to have groups of commodity specialists in these larger areas.
4. Somewhat related activities are being carried on by the Office of Education, Federal Security Agency, and the Department of Commerce. It is important that the extension education program be developed so that it will be correlated with these activities.
5. A budget of \$1,000,000 should be provided for this phase by fiscal year 1953, with increments of \$500,000 for each of the succeeding four years. Such further financial support as seems warranted after 1957 can be better judged at a later time.

#### Commodity Marketing Education

Commodity marketing education is defined to include work on agricultural products from the time of harvest and sale by producers until they are ready to be moved into retail distribution channels.

Much educational work in marketing is designed to bring to farmers prices that are in line with the market quality and condition of the product, and to the user the grade or kind of product suited to his needs. Important factors in the marketing of farm products are certain governmental activities, such as marketing agreements and orders, purchase and price support programs, grades and standards, and other public services and policies.

Extension marketing work with growers may be generally classified into the following areas: (1) fitting production to market demand; (2) selecting markets for highest net returns; (3) determining most advantageous marketing methods and practices; (4) creating an understanding of governmental regulations relating to marketing. There are many regulations made by local, State and Federal governments that influence the marketing of farm products. These may be laws, orders, or regulations that require interpretation and enforcement.

In the field of international trade in agricultural commodities, tariff barriers, currency restrictions, government quotations, State trading, and barter arrangements are developments that affect the flow of agricultural products to foreign markets.

As progress is made in research and technological developments, new



marketing opportunities arise, accompanied by new problems, and often call for new educational approaches. Educational work in marketing must be commensurate with and properly adapted to these needs as they grow and change.

1. In commodity marketing education Extension should build on its present programs. Many areas and commodities are not now receiving adequate attention. Greater effort is needed on marketing work with producers, but special emphasis should be given to strengthening and expanding work with buyers, processors, handlers, and wholesalers. To meet requirements for such an enlarged program, marketing specialists for each of the more important commodities will need to be employed at the State level, or even at the concentrated area level within the State. Special attention needs to be given to coordinating the work of marketing personnel with other personnel working in the fields of production and consumption.
2. Greater care than in the past needs to be given to selection and training of marketing personnel. Satisfactory results cannot be expected from personnel not specifically trained in marketing.
3. It is estimated that approximately \$700,000 is being spent on this phase the present fiscal year. Although there is need to greatly expand this phase, it seems practicable to recommend that the funds be increased to \$1,000,000 by fiscal year 1953, and that annual increments of \$250,000 be made until this phase of the program ultimately reaches at least \$5,000,000 in terms of 1950 levels of salary and purchasing power.

#### Special Training of Marketing Workers

Well-trained workers are essential to the successful operation of a comprehensive marketing program.

This may call for additional training for the specific work to be done. An understanding of both educational methods and subject matter is essential. It is recognized that marketing work may require special training and special qualifications, but extension workers show great adaptability. The fact that many extension workers have been taken by trade and industry demonstrates that these people do have the training and experience fitting them for work with trade groups. Some changes may be needed in college curricula in agriculture, home economics, and public and business administration, to better prepare workers for this field. Pre-induction and on-the-job training also will be needed.

In view of the rapidity with which this program is expanding and the number of new personnel that will be needed from time to time, we recommend that regional workshops for all extension marketing people be held in 1951, and consideration be given to similar workshops or training schools each year until the program becomes well established.

#### Support and Cooperation of Land-Grant Colleges and RMA Advisory Committees

If Extension is to do a thorough educational job affecting all of



these groups involved in the marketing process, it must have the unreserved support of the Association of Land-Grant Colleges and Universities, and the U. S. Department of Agriculture. Neither the research nor extension programs in marketing can be developed to the levels here suggested unless the Land-Grant College presidents, deans, and directors have a vision of its importance and possibilities, and will give it their support.

Likewise, the several RMA Advisory Committees are in position to be extremely helpful. They can aid in guiding the development of Extension's broader program in marketing and can give it a great deal of encouragement and support. It is, therefore, recommended that the State Extension Directors contact and discuss the importance of educational work in marketing with each of the Advisory Committee members in their respective States.

It is recommended that a copy of this report be transmitted promptly to each State Director of Extension and to each member of the Research and Marketing Act Advisory Committees.

#### ATTENDANCE

Extension Conference on Marketing  
Congress Hotel, Chicago, Illinois, October 9-10, 1950

##### State Colleges - Deans and Directors of Extension:

Indiana --	L. E. Hoffman, Associate Director
Maryland --	P. E. Nystrom, Associate Director
Massachusetts --	W. A. Munson, Director
Michigan --	C. V. Ballard, Asst. Dean and Director of Extension
Minnesota --	Skuli Rutford, Acting Director
Montana --	R. B. Tootell, Director
New Hampshire --	L. A. Bevan, Director
New Mexico --	G. L. Boykin, Associate Director
New York --	L. R. Simons, Director
Oklahoma --	Shawnee Brown, Director
Tennessee --	J. H. McLeod, Dean and Director
Utah --	G. A. Carpenter, Asst. Director for County Services
West Virginia --	H. R. Varney, Dean

##### Federal Extension Service:

M. L. Wilson, Director of Extension Work  
H. M. Dixon, Chief, Division of Agricultural Economics  
Willis Combs, Division of Agricultural Economics  
C. W. Hauck, Division of Agricultural Economics  
E. A. Johnson, Division of Agricultural Economics  
L. R. Paramore, Division of Agricultural Economics  
L. M. Schruben, Division of Agricultural Economics

##### Others:

D. Howard Doane, Doane Agricultural Service  
Omer W. Herrmann, Assistant Administrator, Agricultural  
Research Administration, USDA  
Barnard Joy, Extension and Action Program Relations,  
Agricultural Research Administration, USDA